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8 Attorneys for Complainant

9 BEFORE THE DEPARTMENT OF CORPORATIONS

10 STATE OF CALIFORNIA

11  
 12 In The Matter of the Accusation of THE  
 CALIFORNIA CORPORATIONS  
 13 COMMISSIONER,

14 Complainant,

15 vs.

16  
 17 INSTAFI.COM formerly known as AXIOM  
 MORTGAGE, INC.,

18 Respondent.  
 19

) OAH NO. L-2004 010684

) File Nos. 603-8232; 603-9314

) ORDER REVOKING FINANCE LENDERS  
 ) LICENSES

20  
 21 Pursuant to the Stipulation entered into between Instafi.com (“Instafi”) and the California  
 22 Corporations Commissioner ("Commissioner") on November 16, 2004, the finance lenders licenses  
 23 issued by the Commissioner to Instafi are hereby revoked effective immediately.

24 Pursuant to the terms of the Stipulation, Instafi admits the following for purposes of this  
 25 action and any future proceedings initiated by or brought before the California Corporations  
 26 Commissioner only:

27 1. Respondent Instafi.com ("Instafi") is a finance lender licensed by the California  
 28 Corporations Commissioner (“Commissioner”) pursuant to the California Finance Lenders Law of

1 the State of California (California Financial Code § 22000 et seq.) (“CFL”). InstaFi currently holds  
2 two licenses issued under the CFL for locations at 2600 Michelson Drive, Suite 300, Irvine,  
3 California and 10650 West Charleston Boulevard, Summerlin, Nevada.

4       2.       On December 26, 2003, the Department of Corporations (“Department”) received a  
5 letter from InstaFi, dated December 19, 2003, stating that it had ceased doing business effective  
6 immediately and was applying to surrender its license. At that time, the Department had 35  
7 consumer complaints pending against InstaFi, none of which had been responded to or resolved by  
8 InstaFi. At that time, the Department also started receiving telephone calls from borrowers or  
9 potential borrowers stating that they could not get hold of InstaFi to discuss their loans or pending  
10 loan applications. The Department immediately began attempting to contact InstaFi and was able to  
11 get in touch with the president of InstaFi. The Department was informed that the business had in fact  
12 been closed abruptly and that there were approximately 200 loans in progress. The information from  
13 InstaFi indicated that all pending loans had been transferred to Greenlight Financial Services,  
14 however, communications with Greenlight Financial Services indicated that not all pending loans  
15 had been transferred to that company.

16       3.       Based upon the information received by the Department, it was determined that it was  
17 necessary to obtain certain information from InstaFi in order to adequately protect the public and  
18 borrowers of InstaFi and ensure an orderly wind down of the business. On January 5, 2004, a written  
19 order was directed to InstaFi requiring a special report pursuant to California Financial Code section  
20 22159(b) be submitted to the Commissioner by January 7, 2004 concerning (i) consumer  
21 communications, (ii) loans yet to be completely processed, (iii) the steps InstaFi was taking to  
22 complete transactions, (iv) contact number for use by the Department, (v) process being used to  
23 address all pending files, (vi) complaint list since November 1, 2003 and resolutions, and (vii)  
24 description of InstaFi’s loan funding process.

25       4.       As of January 7, 2004, InstaFi had submitted all the information required by the order  
26 except the complaint list.

27       5.       On January 8, 2004, the Department began requesting certain information regarding  
28 the trust account, including a reconciliation with the outstanding check list and the escrow liability,

1 to include the list of escrows or borrowers and the corresponding dollar amounts held for each.  
2 Instaifi represented that the information would be submitted to the Department by January 13, 2004.

3 6. As of January 20, 2004, the Department had still not received the trust account  
4 information from Instaifi. On January 20, 2004, a written order was directed to Instaifi requiring a  
5 special report pursuant to California Financial Code section 22159(b) be submitted to the  
6 Commissioner no later than January 21, 2004, to include the following:

7 a. A bank reconciliation as of December 31, 2003 (or November 30, 2003, if a  
8 reconciliation as of December 31, 2003 is not available) for the trust account maintained at Comerica  
9 Bank, to include an outstanding checklist with the date, amount and payee of each outstanding  
10 check.

11 b. A listing of the escrow liability as of December 31, 2003 that pertains to the trust  
12 funds maintained at Comerica Bank, to include the escrow number, the parties involved in the  
13 escrow and the balance remaining in the escrow.

14 c. The steps Instaifi is taking or how it intends to complete transactions that have not  
15 been completed.

16 d. The list of complaints not previously submitted.

17 e. A written statement confirming previous verbal statements that Instaifi is not currently  
18 holding any funds, i.e., appraisal fees, rate lock fees, credit report fees and/or "shortage funds",  
19 collected from consumers relating to loans that were not made.

20 4. As of the deadline, Instaifi had not submitted the information required by the January  
21 20, 2004 order, which was necessary to protect consumers and adequately address the pending  
22 concerns regarding Instaifi's abrupt closure.

23 Dated: November 16, 2004  
24 Los Angeles, California

WILLIAM P. WOOD  
California Corporations Commissioner

25 By \_\_\_\_\_  
26 Ken A. Nagashima, Special Administrator  
27 California Finance Lenders Law  
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